RULES
OF
DEPARTMENT OF REVENUE
INCOME TAX DIVISION

CHAPTER 560-7-8
RETURNS AND COLLECTIONS

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560-7-8-.58 Qualified Parolee Jobs Tax Credit.

(1) **Purpose.** This regulation provides guidance concerning the implementation and administration of the tax credit under O.C.G.A. § 48-7-40.31.

(2) **Definitions.** As used in this regulation, the terms "employer", "full-time job", and "qualified parolee" shall have the same meaning as in O.C.G.A. § 48-7-40.31.

(3) **Credit Amount.** An employer who employs a qualified parolee in a full-time job for at least 40 weeks during a twelve month period, during the period beginning on January 1, 2017 and before January 1, 2020, shall be allowed a tax credit in the amount of $2,500 for each qualified parolee.

(4) **Per Employer Credit Limitation**. The credit amount allowed under paragraph (3) of this regulation shall be further limited for each employer and shall not exceed $50,000.00 per taxable year.

(5) **Per Individual Limitation.** An employer shall only be eligible to receive this tax credit once per individual.

(6) **Claiming the Credit.** For an employer to claim the qualified parolee jobs tax credit, the employer must submit Form IT-QPJ and a listing of the qualified parolee employees, which includes the name of the employee, social security number, the date when the 40 week requirement was met, wages paid in the taxable year, and any other information that the Commissioner may request, with the employer's Georgia income tax return each year the credit is claimed.

(a) The credit shall be allowed in the taxable year that the 40 week requirement is met. A qualified parolee first employed in a full-time job by such employer before January 1, 2017 does not qualify for this tax credit.

(7) **Carry Forward.** In no event shall the qualified parolee jobs tax credit for a taxable year exceed the employer's income tax liability. Any credit that is claimed but not used in a taxable year shall be allowed to be carried forward to apply to the employer's succeeding three years' tax liability.

(8) **Pass-Through Entities.** When the employer is a pass-through entity, and has no income tax liability of its own, the tax credit will pass to its individual members, shareholders, or partners based on their year ending profit/loss percentage. The credit forms will initially be filed with the tax return of the pass-through entity to establish the amount of the credit available for pass through. The credit will then pass through to its individual shareholders, members, or partners to be applied against the tax liability on their income tax returns. The credits are available for use as a credit by the individual shareholders, members, or partners for their tax year

in which the income tax year of the pass-through entity ends. For example: A partnership earns the credit for its tax year ending January 31, 2018. The partnership passes the credit to a calendar year partner. The credit is available for use by the individual partner beginning with the calendar 2018 tax year.

(9) **Report**. On or before September 1st of 2018, 2019, and 2020, the Department shall issue a report to the chairpersons of the Senate Finance Committee and the House Committee on Ways and Means, which shall include the following statistics for the preceding taxable year:

(a) The total number of employers that claimed the credit; and

(b) The number and total value of all credits earned and all credits applied during such tax year.

(10) **Effective Date**. This regulation shall be applicable to taxable years beginning on or after January 1, 2017.

Authority: O.C.G.A. §§ 48-2-12 and 48-7-40.31.